BRITISH COLUMBIA
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BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 10-18 May 7th, 2010

- **Unemployment rate drops to 7.3% in April as employers take on more workers**
- **Building permits up 33.4% in March**
- **Canadian hoteliers more optimistic, but one in three still expects occupancy rates to fall**

Labour Force

- **British Columbia's unemployment rate dropped to 7.3% *(seasonally adjusted)* in April as employers took on more workers (+0.6%).** This marked the most significant employment growth in the province since September 2009. Job figures in the province have been trending upwards since the beginning of the year, and April's gain helped rebuild the momentum following a stagnant March (+0.0%).

  Canada's unemployment rate was also slightly lower, edging down to 8.1% as the labour force (+0.6%) and employment (+0.5%) expanded in tandem. Manitoba (4.9%) and Saskatchewan (5.2%) had the lowest jobless rates in the country, while rates in the rest of the country ranged from 8.4% in Quebec to 14.7% in Newfoundland. *Data Source: Statistics Canada*

- **Strengthening labour market conditions were particularly evident in BC's goods sector, where the number of jobs advanced 1.7% *(seasonally adjusted)*, with growth in nearly every industry.** The service sector also added 5,300 jobs (+0.3%), with building & other support services (+12.2%) and transportation & warehousing (+6.7%) taking on substantially more workers. However, much of the increase was offset by losses in professional, scientific & technical services (+5.6%).

  Data Source: Statistics Canada

- **In most parts of the province, unemployment rates *(three-month moving average, unadjusted)* have improved in recent months, with all but one region steering clear of double-digit territory.** The region with the most marked improvement in the jobless rate over the past year was Cariboo (8.2%, compared to 12.0% in the same month of 2009). Conversely, the jobless rate in North Coast/Nechako (11.8%) was the highest it has been since September 2004. Unemployment in other regions was more moderate in April, with rates ranging from a low of 5.3% in Northeast to 9.0% in Kootenay.

  Data Source: Statistics Canada

- **BC's off-reserve Aboriginal population continues to face considerable employment challenges, across education levels.** The jobless rate (*3-month moving average, unadjusted*) among off-reserve Aboriginals (aged 25 to 54) with a college diploma was 10.9% in April. In contrast, the jobless rate among the non-Aboriginal population (aged 25 to 54) with a college diploma was nearly five percentage points lower (6.3%). *Data Source: Statistics Canada*

The Economy

- **The value of building permits issued by the province's municipalities showed continued volatility in March, surging 33.4% *(seasonally adjusted)*, after falling 2.8% in February.** Residential permits climbed 29.7%, pairing with an even more substantial jump in non-residential building projects (+44.8%). Planned spending on institutional projects more than doubled (+110.7%) and permits for commercial buildings (+33.1%) also grew. Meanwhile, industrial projects (-15.5%) were on the decline, following a strong February (+64.4%). The strength in institutional projects was fuelled mostly by planned spending on educational building projects in the province.

  In Vancouver, permits soared 48.6% from February to March, and other areas also saw con-

Report **BC's Tourism Sector in 2009**

Did you know...

Four in ten (39%) retired Canadians, over the age of 50 and with assets of at least $100,000, retired with some form of debt. *Source: Ipsos Canada*

siderable increases. Abbotsford (+40.4%) posted the second most prominent growth of BC's census metropolitan areas and permits in Victoria (+22.4%) were also significantly higher than in the previous month. Building intentions were more moderate in Kelowna (+6.5%).

Canadian permits climbed 12.2%, with increases in every province except Quebec (-1.8%). Planned spending on new building construction was up most notably in Saskatchewan (+65.1%) and PEI (+62.6%) in March. *Data Source: Statistics Canada*

- **Year-to-date, the value of building permits in the province was 38.2% higher than in the first three months of 2009, with all but one region recording at least double-digit increases.** Permits rose most notably in Nechako (+790.3%), due mostly to escalated activity in the institutional (+3,686.5%) and commercial (+721.8%) sectors.

  Other increases s ranged from 13.3% in North Coast, to 70.0% in Cariboo. Mainland/ Southwest, where much of the province's construction occurs, saw planned spending jump 57.7%. On the flip side, a 6.2% decrease in the value of permits in Vancouver Island/Coast reflected downturns in spending on institutional and commercial projects. However, as in other regions, planned spending on both new residential and industrial projects in that region was well above 2009 year-to-date levels. *Data Source: Statistics Canada & BC Stats*

- **BC's sawmills ramped up production in March, generating 33.3% more lumber than in the same month last year.** While Coastal mills experienced a slight drop in the output of lumber (-2.2%), Interior sawmills, representing nearly 90% of BC's lumber production, saw a surge of more than a third (+37.9%). On a year-to-date basis, the amount of lumber produced in the province has increased by nearly a quarter (+22.3%).

  Data Source: Statistics Canada

Tourism

- **Although outlooks appear to be relatively austere, Canadian hotel operators surveyed in April are more optimistic about their prospects than they were earlier in the year.** Nearly a quarter (24%) expect occupancy rates to rise during the peak summer months, however a further third (33%) are still anticipating declines. Thirty-five percent of hoteliers expect to see a decrease in room rates between July and September, nearly twice the 18% who think they will rise. Opinions are equally divided between those expecting an increase (17%) and those anticipating a decline (38%) in corporate and commercial travel. However, nearly half (45%) of hoteliers foresee no change.

  While one in five did not expect any difficulties in the second quarter, the obstacles most frequently cited by those who had concerns were regional economic conditions (44%), excess room supply (35%) and exchange rate fluctuations (30%). Nineteen percent said a lack of attractions or complementary facilities in the vicinity was a problem and some continued to report a shortage of unskilled (12%) and skilled (10%) labour. A similar percentage felt that Canada's reputation as a desired tourist destination (10%) was a likely business impediment, while others (6%) were expecting to experience abnormal weather or natural disasters. *Data Source: Statistics Canada*

The Nation

At the end of 2008, Canadian investors held $585.6 billion in foreign securities, a 23.4% decline over 2007. This marked the first annual decrease in Canadian holdings of foreign securities since 2002. The tumultuous global markets of 2007 and 2008 set the stage for substantial sales of foreign securities and generated capital losses for Canadian investors.

Data Source: Statistics Canada

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Contact: Werner Gründlingh
(250) 387-1124
originally published in
Tourism Sector Monitor Issue 10-03

BC's Tourism Sector in 2009

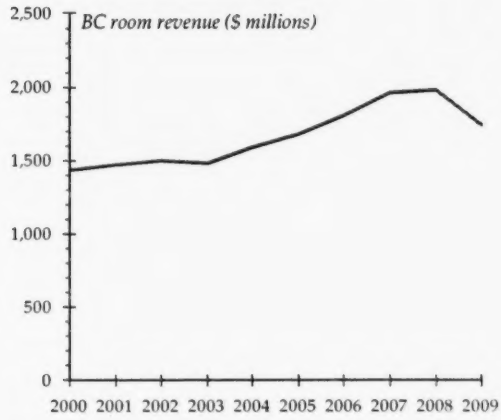
Introduction

Last year was difficult for the entire tourism sector, mainly due to the economic recession. Even though this started during late 2008, it gripped most industries by force through 2009 as annual room revenues fell for the first time in six years—and quite substantially in that regard.

Room revenues took a huge hit in 2009

Receipts at BC's accommodation properties fell by 11.7% in 2009, bringing in only $1.7 billion—compared to 2008's $2.0 billion. Steady growth through the earlier part of the decade (except for 2003 when room revenues slipped 1.5%) stalled in 2008 (with only 0.7% growth), before buckling under the pressure of a worldwide recession.

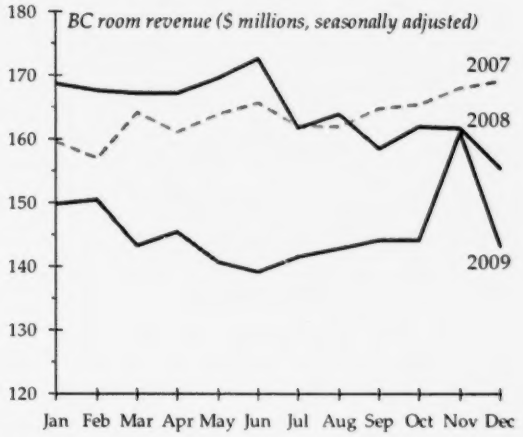
The recession interrupted the accommodation industry's steady growth in 2008 through 2009



Data Source: BC Stats

While 2007 still showed strong growth, a steady decline in (seasonally adjusted) room revenue started in June 2008 and continued for 13 months. Accommodation sales in preparation to the Vancouver 2010 Winter Olympic Games "saved" the industry towards the end of 2009 as vacation rentals were up sharply.

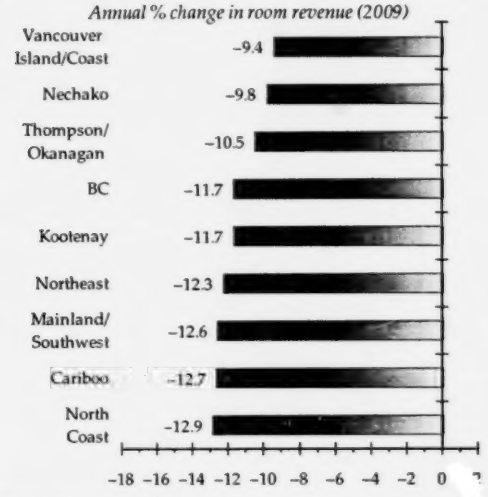
2009 monthly performance in room revenue was well below 2008 and 2007



Data Source: BC Stats

Despite the poor performance across the board, Vancouver Island/Coast suffered the least, dropping only 9.4%. In fact, only three regional districts performed better than the regional average. While North Coast led the province in room revenue growth in 2007, it performed worst in 2009 (-12.9%). However, it was the collapse of Mainland/Southwest (-12.6%), the largest contributor to provincial room receipts, that drove provincial figures downward.

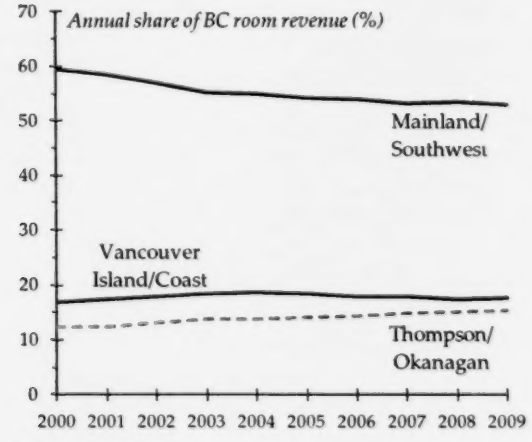
Vancouver Island/Coast dropped 9.4% in room revenues for 2009



Data Source: BC Stats

Mainland/Southwest has been losing ground in terms of its share of provincial room revenue, which stands at 52.9% for 2009. However, while Vancouver Island/Coast's share has remained fairly constant (17.7% in 2009), Thompson/Okanagan and other regions have been gradually increasing their shares.

Thompson/Okanagan and other development regions are increasing their share of provincial room revenue

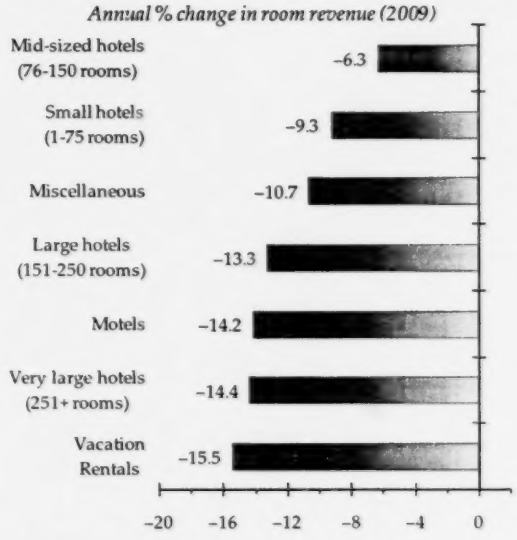


Data Source: BC Stats

All types of establishments were slower last year

Worst hit by the economic downturn were vacation rentals, dropping 15.5% in 2009. This category is mainly comprised of accommodations sold on a temporary or short-term basis. Therefore, it would typically be someone's private, non-permanent place of residence, possibly located in a vacationer-rich location. However, since discretionary spending is the first thing curbed during tough economic times, these types of holiday destinations probably suffered more than other accommodation types.

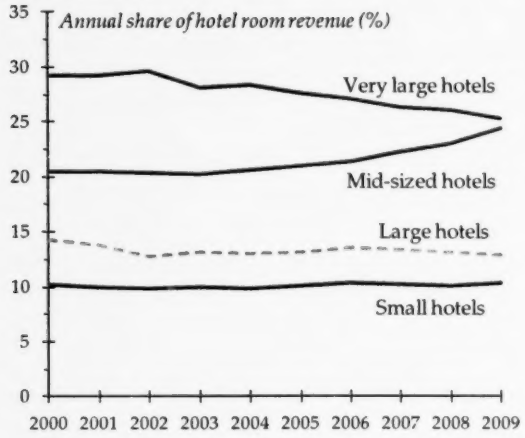
All accommodation types saw room revenues drop in 2009



Data Source: BC Stats

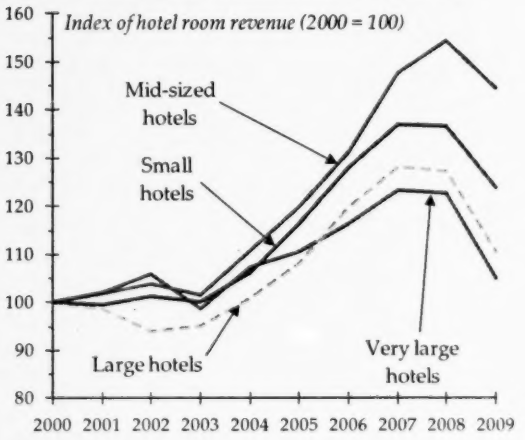
Despite this dismal view on BC's accommodation industry, mid-sized hotels (76-150 rooms; -6.3% in 2009) outperformed all others. In fact, compared to other hotel room revenues, this type of establishment has been growing its market share since 2003. Meanwhile, very large (251+ rooms; -14.4% in 2009) hotels have seen a steady decline in annual room revenues over the last five years, almost standing on equal footing in terms of hotel room revenue with its somewhat smaller counterpart.

Mid-sized hotels are climbing up the hotel room revenue ranks



Data Source: BC Stats

Room revenue growth at mid-sized hotels since 2000 has outpaced other hotel categories

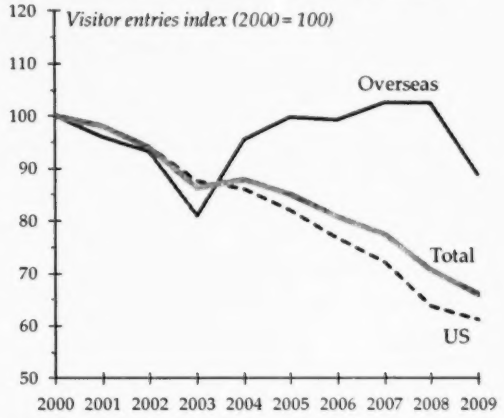


Data Source: BC Stats

Fewer overnight US visits make for another drop in visitor entries

The number of visitors entering Canada via BC has been declining for the last five years, reaching a 15-year low of 5.6 million (-6.4%) in 2009.

Downward pressure on discretionary spending saw overseas visitor entries fall by 6.4%



Data Source: Statistics Canada

Many factors may be considered a likely cause of this drop, including the economic downturn and the global breakout of the H1N1 pandemic. Both these events made 2009 a particularly tough year in terms of tourism.

The United Nations World Tourism Organization (UNWTO) supports this claim, noting that global tourism arrivals fell by 4% in 2009[1]. However, a glimmer of recovery is visible from a fourth quarter 2% upswing following successive 10%, 7% and 2% declines in the first three quarters.

At the national level, tourism expenditures—a gauge on the outlays in certain tourism-related industries—fell 4.4% in 2009[2], with transportation (-9.4%) and accommodation (-6.6%) being the hardest hit industries. Moreover, spending in Canada by foreign residents, or international travel receipts, fell 3.3% in 2009.

It is obvious that, during such times of crises and uncertainty, consumers tended to trade down, travel closer to home or for lesser time.

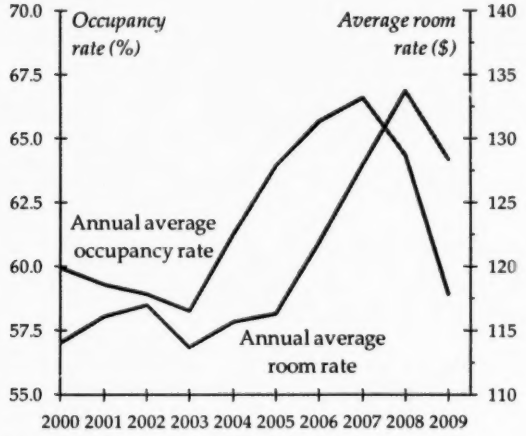
[1] United Nations World Tourism Organization, UNWTO News, Issue 1/2010

[2] Statistics Canada, National Tourism Indicators (Fourth Quarter 2009), Catalogue no. 13-009-X.

Other indicators

BC's hotel occupancy rate fell 5.4 percentage points in 2009. One source behind this may have been the annual decline in overnight US entries (-5.9%) and visits from other international destination (-13.9%). The average occupancy rate for 2009 stood at 58.9% (seasonally adjusted).

BC's hotel occupancy rate lost as much ground in the last two years as it gained in the four years prior

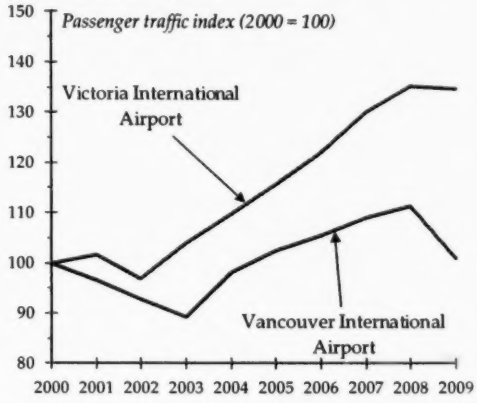


Data Source: Statistics Canada

Previous years' advances in the average room rate were also stunted, marking the annual decline (-4.0%) in 2009 as the first in six years—the largest of any decline in over 15 years.

The holdback on discretionary spending and concerns over H1N1 dealt a significant blow to passenger traffic through BC's major international hub—Vancouver International Airport. With domestic (-7.1%), trans-border (-11.4%) and other international (-12.4%) traffic down in 2009, Vancouver International Airport saw its largest decline (-9.4%) since 1995. On the other hand, Victoria International Airport only experienced a marginal decline (-0.4%) in 2009 passenger volume.

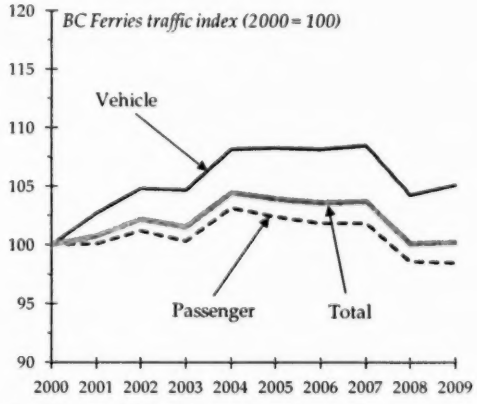
Vancouver International Airport saw a much larger drop in passenger traffic than Victoria International Airport



Data Source: Vancouver Airport Authority, Victoria Airport Authority

BC Ferries transported just under 30 million vehicles and passengers in 2009, slightly higher (+0.1%) than in 2008. In fact, the volume of traffic served by BC Ferries has remained fairly constant over the years, expanding only 0.3% since 2000. This may be an indication that the company's consumer base consists predominantly of local residents (and other non-tourist-related businesses), as opposed to tourist travellers, using this as their only means of transportation between the mainland and islands.

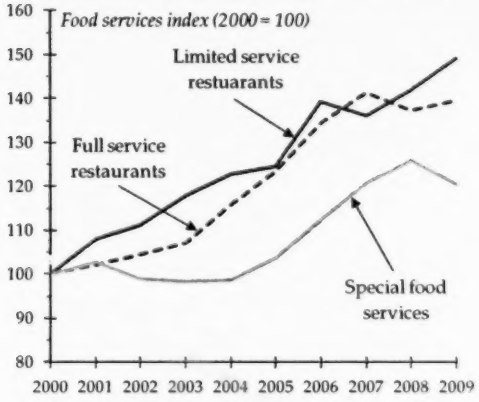
BC Ferries' traffic volume has weathered the stormy climate of 2009



Data Source: BC Ferries

Sales at BC's food services and drinking places jumped 2.5% in 2009, as both food services (+2.6%) and drinking places (+1.8%) saw revenues climb. The economic downturn may have also revealed a tendency of patrons to favour limited service eating places (including fast food restaurants, pizzerias and take-out restaurants; (+5.2%) above full service restaurants (+1.7%) and special food services (-4.4%).

Growth in limited service restaurants has outpaced all other food service industries



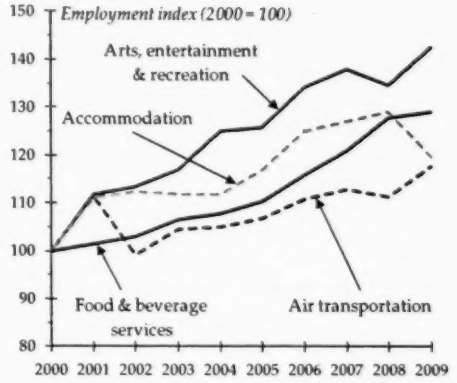
Data Source: Statistics Canada

Job growth in some tourism-related industries slowed down in 2009 as many businesses were struggling with the economic downturn, expanding a marginal 0.8%—a quarter of the 3.2% growth in 2008[3]. Hardest hit was the accommodation industry, dropping 7.3% of employees.

As BC endured the tough economic condition of 2009, average weekly earnings of employees also suffered. In fact, weekly earnings of BC's accommodation sector remained relatively flat over the last two years. In contrast to this, Ontario experienced a sharp decline (-9.3%) in average weekly earnings, while Alberta continued to climb (+5.1%), leading growth well above the 2009 national average (-3.5%).

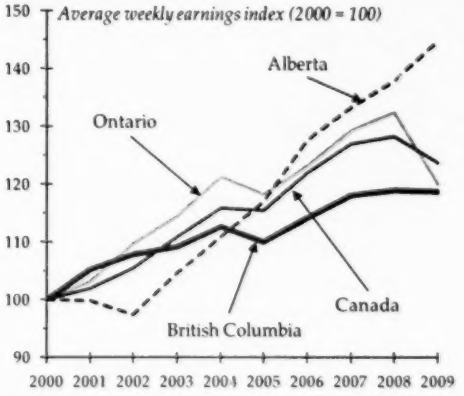
[3] Based on Statistics Canada's Survey of Employment Payroll & Hours (SEPH) data.

Employment in the accommodation industry suffered in 2009



Data Source: Statistics Canada's Survey of Employment Payroll & Hours (SEPH)

Earnings at BC's accommodation industry dipped slightly (-0.1%) in 2009



Data Source: Statistics Canada's Survey of Employment Payroll & Hours (SEPH)

Alberta's accommodation industry had the highest average weekly earnings ($516.40) compared to BC ($491.35) and Ontario ($467.14) in 2009.

Other tourism indicators for 2009

	2009	change from 2008
Hotel Industry		
Occupancy Rate (%)	58.9	– 5.4 pp
Average Room Charge ($)	128.41	– 4.0
Data Source: Pannell Kerr Forster		
Airport Passengers	(000s)	(%)
Vancouver International Airport		
Total Traffic	16,173	– 9.4
US (trans-border)	3,842	–11.4
Other International	3,654	–12.4
Canada (domestic)	8,677	– 7.1
Data Source: YVR		
Victoria International Airport		
Total Traffic	1,533	– 0.4
Data Source: Victoria Airport Authority		
Food Services Receipts	($ millions)	(%)
All Establishments	7,853	+ 2.5
Food Service	7,201	+ 2.6
Drinking Places	659	+ 1.8
Data Source: Statistics Canada		
Transportation	(000s)	(%)
BC Ferries		
Vehicle Volume	8,296	+ 0.8
Passenger Volume	20,956	– 0.2
Data Source: BC Ferries		
Employment	(000s)	(%)
Air transportation	17.4	+ 5.5
Accommodation	33.7	– 7.3
Food & beverage services	150.5	+ 1.0
Arts, entertainment & recreation	37.7	+ 6.0

Data Source: Statistics Canada (pp = percentage points)

Infoline

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Issue 10–18

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jan1/2010	% change on one year ago
BC	4,494.2	1.6
Canada	33,930.8	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Feb 2010	2,873	1.1
Merchandise Exports - Feb 2010	2,262	3.3
Retail Sales - Feb 2010	4,844	0.1
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Mar 2010)	one year ago	% change
BC	0.5	-0.2
Vancouver	0.9	0.0
Victoria	0.4	-0.1
Canada	1.4	0.4
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Apr 2010	prev. month
Labour Force - BC	2,483	-0.1
Employed - BC	2,303	0.6
Unemployed - BC	181	-7.5
		Mar 2010
Unemployment Rate - BC *(percent)*	7.3	7.9
Unemployment Rate - Canada *(percent)*	8.1	8.2
INTEREST RATES (percent)	May 5/2010	May 6/2009
Prime Business Rate	2.25	2.25
Conventional Mortgages - 1 year	3.80	3.90
- 5 year	6.25	5.25
US-CANADA EXCHANGE RATE	May 5/2010	May 6/2009
(avg. noon spot rate) Cdn $ per US $	0.9741	1.1731
(closing rate) US $ per Cdn $	0.9712	0.8578
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Apr 2010	one year ago
BC	820.44	2.3
Canada	814.38	1.8

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC's Solid Waste Flow, 2006

This report examines the source and composition of solid waste in British Columbia. Three key sectors are measured: industrial, commercial and institutional (IC&I); construction, renovation and demolition (CR&D); and residential.

www.bcstats.gov.bc.ca/data/env/SolidWaste06.pdf

Socio-Economic Profiles

The 2009 Socio-Economic Profiles now available. These profiles consist of charts and tables for a number of geographic overlays of BC. Also included are the special geographies of the Georgia, Fraser, and Columbia Basins.

www.bcstats.gov.bc.ca/data/sep/choose.asp

Provincial Indicator Comparisons

New tables with data by province for a number of economic, demographic, social, labour and income indicators are now available. Data and calculations, as well as a graph displaying a ten-year trend. Accessible as individual PDF files, or downloadable as a single Excel file.

www.bcstats.gov.bc.ca/data/dd/provcomp/ProvComp.asp

BC Student Outcomes Project

Age of Learning English: How Does it Affect Education and Employment? A large percentage of the students in B.C.'s public post-secondary system learned English as an additional language, many as adults. How do these former students rate their education? When they leave post-secondary, are they less likely than others to be employed?

http://outcomes.bcstats.gov.bc.ca/Libraries/DACSO_Papers/Age_of_Learning_English_pdf.sflb.ashx

Released this week by BC Stats

- Current Statistics, April 2010
- Tourism Sector Monitor, April 2010
- Labour Force Statistics, April 2010
- Earnings & Employment Trends, April 2010

Next week

- Business Indicators, April 2010
- Exports, March 2010

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca